

Comptroller

27 March 1957

Chief, Budget Division

Comments on H.R. 9593

1. H.R. 9593 basically will authorize each agency to settle their own claims after an appropriation has otherwise lapsed for expenditure purposes. This bill is one in which the Agency is particularly interested. The Bureau of the Budget, the General Accounting Office, and the Treasury Department have combined to support the bill and there are fair prospects that it will be enacted into law. The Department of Defense has had certain reservations concerning the bill, and representatives of the Government Operations Committee of the House, the Department of Defense, and the General Accounting Office have been working to reach an agreement on the bill. It is understood that a number of amendments have been agreed to and that the Department of Defense has indicated that they will support the bill as amended. Two major amendments have been agreed upon. The first of these involves the changing of the period to a semi-annual on Page 2, line 6 and adding a proviso, which it is understood is stated substantially as follows: "Provided that when it is determined necessary by the head of the agency concerned that a portion of the remaining balance withdrawn is required to liquidate obligations and effect an adjustment, such portion of the remaining balance may be restored to the appropriate account established pursuant to this Act; provided further that the head of the agency concerned shall report such proposed changes to the Bureau of the Budget before making the restoration." In addition, on Page 1, line 14, the word "shall" has been changed to "may".

2. It is understood that there are an additional 10 or 12 technical and editorial amendments in the Act which do not change the fundamental meaning. Two of these are: (a) Change line 3, Page 1, by deleting the following words: "Except as otherwise provided by law", and (b) On Page 7, line 17, add after the words "for the" the following: "Disbursing clerks of the House and the Senate and the".

3. The method by which the provisions of this Act would be applied to CIA was discussed briefly with representatives of the Bureau of the Budget and of the General Accounting Office. Special application of the Act would be required to the fiscal operations of CIA, but every indication has been made that satisfactory agreements may be reached in order to protect the security of the financial operations of the Agency and, at the same time, to obtain all the benefits of the Act.

4. The Bureau of the Budget has concurred in the retention of funds which would otherwise lapse into the Treasury, to be used in a settlement of obligations incurred during the Fiscal Year 1953, provided the proposed Act is passed. Hearings have been held by both the House and Senate Committees and it is probable that a bill will be reported out by the Subcommittee to the Full Committee of Government Operations of the House within the next few days. It is not believed that this Agency should recommend any changes in the bill, since it appears that any unusual problems presented in the Agency can be worked out administratively with the Bureau of the Budget, the General Accounting Office, and the Treasury Department.

25X1A



ED/COMP/CIM/har

Distribution:

- 0 & 1 - Addressee
- 2 - DD/S
- ✓ 1 - Legislative Counsel
- 2 - Budget Division